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ABSTRACT

This paper reviews the economic and political science literature, and the literature on Chapter 1/Title I in order to identify policy options that retain adequate fiscal accountability as well as insure program quality. Chapter 1 of the Education Consolidation and Improvement Act of 1981 is the successor to Title I of the Elementary and Secondary Education Act of 1965. The current structure of Chapter 1--the law and its accompanying rules and regulations--is adequate for insuring fiscal accountability; the means for implementing this structure at the state and local level are firmly developed and function relatively well. The quality of Chapter 1 programs depends primarily on the quality of curriculum and teaching in local school districts, two areas essentially beyond direct influence by the Federal government. Nevertheless, there are several strategies available to the Federal government for improving Chapter 1 program quality, including the following: (1) requiring all Chapter 1 sites to have a schoolwide education improvement program with Chapter 1 integrated into it; (2) requiring Chapter 1 services to be aligned with the regular educational program so Chapter 1 will help low-achieving students to learn the regular curriculum; (3) conditioning receipt of Chapter 1 funds on schools implementing strategies from the effective teaching and schools research; and (4) providing new funds for states to develop model curriculum guides for a strengthened academic program, a testing program to assess student progress in that program, and supplemental instructional strategies and materials to help educationally disadvantaged students. A list of references is included. (BJV)

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HOW FISCAL ACCOUNTABILITY AND PROGRAM QUALITY CAN BE INSURED FOR CHAPTER 1

by

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HOW FISCAL ACCOUNTABILITY AND PROGRAM QUALITY CAN BE INSURED FOR CHAPTER 1

For fifteen years after the enactment of Title I of the Elementary and Secondary Education of 1965 (now Chapter 1 of the Educational Consolidation and Improvement Act of 1981), regulations were developed to insure that Federal dollars were spent on supplemental educational services for low-achieving students in schools with concentrations of pupils from economically disadvantaged homes. It was not an easy task. There are tens of thousands of Chapter 1 eligible schools across the nation's more than 16,000 school districts in the 50 different state educational systems. Developing a regulatory structure that worked across the widely diverse schools in which Chapter 1 students were taught proved to be time consuming and challenging.

By the late 1970s, however, that task basically was accomplished. Yet, almost immediately, people began to raise issues about the quality of Chapter 1 educational services. Many felt that fiscal accountability had been realized "on the back of program quality." As evidence in support of that concern, some state and local Chapter 1 coordinators were even quoted as saying that: "program quality was fiscal compliance." But most scholars, local educators involved in Chapter 1 programs, and even policymakers admitted that the fifteen-year focus on developing a regulatory system to insure fiscal integrity had drawn attention away from the substance of programs provided with Chapter 1 funding and that insuring program quality was a key, unresolved issue that needed to be addressed.

The purpose of this paper is to identify policy options that retain adequate fiscal accountability as well as insure program quality. The first section briefly summarizes the economic and political science literatures related to these issues. The economic literature covers intergovernmental grant structures and empirical research on the effects of various grant designs on education spending in local districts and schools. The political science literature covers the politics surrounding redistributive programs, of which Chapter 1 is a major example. The second section reviews more specifically the literature on Chapter 1/Title I, and within that, current knowledge about how the current fiscal accountability structure works. The third section addresses the issue of program integrity, and reviews various approaches to insuring the quality of Chapter 1 educational programs and services. The paper concludes with alternative policy recommendations.

Economic and Political Science Knowledge Concerning Chapter 1 Fiscal Accountability

Economic literature that informs thinking about how to insure Chapter 1 fiscal accountability includes that on intergovernmental grant design and empirical research on how various grant structures

have worked in education, including the grant structure for Chapter 1/Title I. The political science literature includes that on Federal program implementation, the bulk of which concerns Title I/ Chapter 1 implementation, and the current theory of program implementation.

Economic Literature

The public finance literature suggests that intergovernmental grants can be divided into a number of categories. First, education grants can be unrestricted or restricted, i.e., either block grants with few if any restrictions on how the dollars can be spent (other than on education generally) or targeted, categorical grants which specify the type of program and/or student on which the funds must be spent. Second, education grants can be nonmatching or can require districts to match, under some formula, Federal (or state) dollars with local dollars. The matching rate can be a constant percentage across all districts or variable according to specified characteristics. If variable, the characteristic generally used to determine the matching rate is a fiscal capacity measure so more Federal (or state) revenues would be provided to districts lower in fiscal capacity and less to districts higher in fiscal capacity. Chapter 1 is an example of a restricted grant without a required local match; funds are restricted to expenditures on services provided to Chapter 1 eligible students.

Economic grant theory predicts how local governments--school districts in the case of Chapter 1--would respond in terms of changes in expenditures to funds received under different grant designs. General, unrestricted or block grants (now provided through state school finance equalization formulas) are predicted to change expenditures the least. So, some of an education block grant (from the Federal or state government) would be used to increase local educational expenditures but some also would be used to substitute for local revenues, thus lowering local tax rates or increasing local expenditures on some other function. Restricted, categorical grants for special student needs are predicted to increase local expenditures about the same amount as the grant. Restricted grants with matching requirements are predicted to increase local expenditures the most, at least the sum of the amount of the Federal grant and the required local match.

Empirical research pretty much supports these predictions. A recent synthesis of the local impact of intergovernmental education aid programs (Tsang & Levin, 1983) found that state equalization (unrestricted) aid produced a local expenditure response elasticity that ranged from 0.16 to 1.06, with most elasticities in the 0.3 to 0.7 range. In other words, the average response was to use about half of unrestricted aid on higher education expenditures and to use the other half to substitute for local revenues. State categorical (restricted) aid produced a local expenditure elasticity that ranged from 0.17 to 1.8, with the average elasticity being around 1.0. So restricted aid tended to produce a larger local response with

spending, on average, increasing dollar-for-dollar of categorical aid.

The local expenditure response for Federal restricted aid was even larger than for state restricted aid. The elasticities ranged from 0.7 to 1.0, with one study finding an elasticity of 4.4 for Federal Title I aid. Moreover, the lower elasticities for Federal aid tended to occur in studies prior to 1975, i.e., before the development and firm implementation of the Federal, Title I (now Chapter 1) regulatory structure. Nearly all elasticities in post-1975 studies were at least 1.0. Thus it is safe to conclude that Federal Chapter 1 aid produces at least a dollar-for-dollar local increase in educational spending, which is precisely its minimum goal.

In other words, the current functioning of Chapter 1 produces the desired local allocative effects, as compared to less than desired effects produced in the early 1970s (Barro, 1978). As a result, it can be argued that the current structure of the Chapter 1 formula is adequate—it stimulates an increase in local spending at least equal to the size of the Federal grant. While the formula could be redesigned to strengthen its local fiscal impact, that would entail a change in the fiscal goal of Chapter 1. As currently designed, it produces the desired local fiscal effect.

Political Science Literature

Political science literature that pertains to Chapter 1 fiscal accountability includes that on Federal policy implementation, of which the bulk of studies analyze Title I/Chapter 1 implementation, and emerging theory concerning program implementation. In research syntheses in the mid-1970s and again in 1986, Kirst and Jung argue that initial problems in local Title I/Chapter 1 implementation essentially were overcome over time, that initially the task of implementing a large Federal program was a new and unknown task to local educators who made many mistakes in responding to the initial law and fledgling initial regulations (Kirst & Jung, 1980; Jung & Kirst, 1986). But over time, both local educators and Federal and state regulation writers and compliance monitors were able to develop a structure that was understandable and implementable at the local level. Basically, Kirst and Jung argue that the well-known early problems surrounding Title I implementation should not prejudice conclusions about current local capacity to implement a Federal program of targeted educational services; that capacity essentially has been developed and local practices, on balance, reflect the intent of extant law and regulation. Peterson, Rabe, and Wong (1986) make essentially the same argument for Federal redistributive programs across several functional areas, including education.

From a different theoretical perspective, Hargrove (1983) provides reasons for why a strong regulatory structure is needed for Chapter 1, reasons that reflect the realities of political pressures in this country. For redistributive governmental programs that

allocate dollars disproportionately (such as Chapter 1 which allocates more funds to areas with more poor children) Hargrove postulates that political pressures function to blunt the strength of a redistributive program and transform it over time into a more proportionally distributive program. Thus, Hargrove argues that redistributive policies must be accompanied by tough regulatory structures that maintain the redistributive characteristics.

Indeed, analyses of the long-term impact of state school finance reforms, which were designed to distribute more state aid to property poor school districts, support Hargrove's assertions. In nearly all states, political pressures produced legislative changes over time that diluted the redistributive elements of new school finance formulas enacted in the 1970s (See the series of articles in the Journal of Education Finance, edited by Goertz and Hickrod, 1983a and 1983b).

Moreover, Hargrove's example of his theoretical point is Chapter 1. He reviewed the early history of Title I which shows that most districts and schools initially spread Title I dollars across all students in a school. That practice lead to the development of a regulatory structure to target funds to low-achieving students in schools with concentrations of poor children. He also notes that the energy expended in developing and implementing these regulations resulted in a shifting of attention from program quality to fiscal compliance and accountability. While he leaves the reader with this unresolved dilemma, his basic point is that political theory holds that redistributive policies must be accompanied by a set of regulations "with teeth" in order for the policy to maintain its redistributive thrust over time.

In short, both the economic and political science literatures suggest that the main elements currently embodied in Chapter 1--a restricted, categorical funding formula together with a stringent regulatory structure--are needed in order to maintain the integrity of Chapter 1 as a program of targeted assistance. While the empirical literature on the spending effects of Chapter 1 seems to lend overall support to these claims, in order to determine whether Hargrove's dilemma can be resolved, it is still necessary to have a more detailed analysis of the functioning of the regulations, an outlining of strategies that can improve program quality, and an analysis of whether the two are inherently in conflict.

Current Functioning of Chapter 1 Rules and Regulations

There are dozens of rules and regulations covering both fiscal accountability and program integrity for Chapter 1. The following represent the key areas related to fiscal distribution and accountability:

- allocation to local districts,

- comparability of resources across schools before the allocation of Chapter 1,
- allocation to (targeting) schools and students within districts,
- maintenance of effort, and
- supplement, and not supplant requirements.

In the main, recent research concludes that these provisions are working pretty much as intended. The congressionally mandated study conducted in the mid-1970s found that Title I funds were allocated to districts according to the poverty criteria in the law. Districts with greater numbers and percent of students from low-income families received more Chapter 1 (then Title I) funding than districts with fewer such students. In short, the Federal goal for Chapter 1 of providing additional resources to districts enrolling students from economically disadvantaged backgrounds is attained by Chapter 1. While there always can be technical arguments about which poverty criteria to use in allocating funds, the criteria that have been used for nearly two decades work and determine how Federal funds are distributed to local districts.

The remaining regulation categories pertain to within district allocations. Comparability regulations were created to insure that, within a district, schools had equivalent resources before Chapter 1 funds were distributed. The regulations were developed in earlier times when research showed significant intra-district inequities in the allocation of state and local resources, and that the impact of Title I funds often was simply to raise the level of Title I school resources closer to the district average. Comparability also was a critical issue when many districts paid elementary teachers less than secondary teachers before the advent of widespread collective bargaining. Today, most collective bargaining agreements require equal teacher salaries for all teachers in a district and equitable mechanisms for distributing resources across schools.

Thus even though Chapter 1 regulations have "loosened" the comparability regulations, recent studies of Chapter 1 administrative practices and policies in several states conclude that the changes appear not to have eroded within district, across school comparability. Again, while several technical issues surround the comparability issue, current practice in most states is guided by policies that insure uniform teacher salary policies within districts, and equitable distributions of teachers and instructional materials across schools before the allocation of Chapter 1 funds. In other words, comparability regulations seem to be having their intended effect.

District allocations of Chapter 1 funds to schools and students are constrained by targeting regulations that are designed to funnel Chapter 1 dollars into schools with the highest concentrations of poor students and, within those schools, to students with the greatest academic needs. Recent studies also confirm that these regula-

tions are generally working as intended. Most districts identify poor students as either those students from families receiving Aid to Families with Dependent Children (AFDC) assistance or those students eligible for free or reduced lunch. Further, districts tend to allocate Chapter 1 funds to schools with a concentration of these students, that is, at or above the district average, or distribute funds on a school-by-school basis beginning with the school with the highest concentration. Sometimes, districts identify particular grade ranges for computing poverty concentration, such as just K through 3 or just 7 through 12, but then distribute funds on the basis of poverty concentration within those grades.

Within schools, general practice is to identify eligible students as those scoring below a certain level on a standardized achievement test. In most cases, services are provided to students scoring below the fiftieth percentile; the plurality of districts target the lowest scoring students as those to serve first.

Again, there are numerous technical intricacies surrounding these school and student targeting provisions, but recent research confirms that general practices reflect the letter and spirit of Chapter 1--that, within districts, funds are distributed to the schools with the highest concentrations of poor students, and within those schools, to students with the greatest academic needs (Farrar & Milsap, 1986).

The "maintenance of effort" requirement today has little practical effect. When first implemented, it required states, districts and schools to maintain the level of fiscal support for schools that was present before the onset of Title I (now Chapter 1) funds. Since education revenues rise every year, maintenance of effort has rarely been a problem. Even in the depths of the early 1980s recession, all but a handful of states and districts were able to meet the exact letter of maintenance of effort. This regulation could be given more teeth by indexing the requirement by an inflation factor, to require an inflation-adjusted maintenance of effort. It also could be strengthened, now that enrollments are rising in many places, by requiring maintenance of effort in per pupil terms. However, there is no groundswell of support for strengthening maintenance of effort requirements. Its general intent--to prevent the retraction of resources upon the arrival of Chapter 1 funds--seems pretty much to have been accomplished.

"Supplement, not supplant" regulations are designed to insure that services provided with Chapter 1 funds are actually additional services for students served and do not just supplant other services they otherwise would have received. Initially, supplement, not supplant regulations remedied a major flaw in the delivery of Chapter 1 (then Title I) services in numerous schools. Students often were "pulled out" of regular reading classes and provided remedial reading by a Chapter 1 funded teacher. Even though the class size in the pullout arrangement might have been lower and even though, in some cases, the services were provided by a reading expert, the fact remained that students missed their regular reading instruction. The

initial supplement, not supplant regulations addressed this obvious problem.

But subsequent attempts to comply with this regulation have raised equally important, though more subtle questions about what constitutes compliance. Common practice today is to continue the pullout structure. While students are not pulled out of reading and mathematics classes, they tend to be pulled out of science or social studies classes, physical education classes or even elective classes. Even though the Chapter 1 instruction in reading/language arts and mathematics clearly supplements their regular reading/language arts and mathematics instruction, it nevertheless supplants other instructional and educational services to which the students normally are entitled.

A problem is that auditors like a pullout arrangement since it leaves a cleaner audit trail. With respect to reading/language arts and mathematics, such a practice for delivering Chapter 1 services clearly supplements and does not supplant services for those academic subjects.

But it is a tricky task to provide Chapter 1 services that clearly supplement services regularly provided in specific subjects but do not supplant any other regularly provided educational services. Accomplishing the task and leaving a "clean" audit trail entails additional challenges. "Clean" examples would include before or after school programs and summer school programs, strategies that are being tried in some places across the country. Not so obviously clean examples (at least to most auditors) include the use of resource teachers for individual and small group attention for Chapter 1 students during regular seatwork, pullout programs for more intensive work during regular seatwork, small classes for Chapter 1 students (instead of the regular large class), and additional classes with different teaching strategies for Chapter 1 students who do not learn an instructional objective in the regular class.

The point here is that compliance with supplement, not supplant regulations merges fiscal accountability and program quality issues, and begins to highlight differences between auditors and education program specialists. The point also is that the standard pullout practice, which auditors have accepted as compliance with supplement, not supplant regulations, is more clearly becoming the potential juncture at which fiscal accountability and program quality may be at odds.

Nevertheless, the overall conclusion on Chapter 1 fiscal accountability regulations and requirements is that they seem to be in place and working as intended. In the main, if not enhancing program quality, they do not seem to be interfering with program quality (Farrar & Milsap, 1986).

Chapter 1 program quality regulations cover three basic arenas:

- needs assessment,
- size, scope and quality, and
- evaluation and sustained effects analysis.

Most districts and schools already had and continue to have ongoing needs assessment activities associated with Chapter 1. The idea is to have a mechanism in place, different from any testing program that might be used to identify Chapter 1 eligible pupils, to assess generally and specifically the academic areas/subjects in which Chapter 1 eligible students need additional help. The needs assessment then identifies the substantive focus of Chapter 1 services.

The evaluation and sustained effects requirements were substantially modified when the Congress changed Title I to Chapter 1. But most states and schools districts still require some type of annual pre- and posttesting for evaluating the effectiveness of local Chapter 1 programs, so evaluation practice has changed relatively little. The sustained effects requirement under Title I was designed to assess the longer term impact of services, but it had difficulty being implemented across the country, was eliminated in Chapter 1 and is part of state and local practice in some but far from all places.

While both the needs assessment and evaluation requirements have a clear rationale, and generally are part of local Chapter 1 practice, they tend to affect only minimally the substance of Chapter 1 services. Their clearest impact has been to target reading/language arts and mathematics as subjects in which to concentrate the provision of additional services and as subjects to test to identify annual student performance change. In some places, needs assessments have identified weaknesses in higher level thinking skills, but this is an emerging trend and does not reflect average practice.

The size, scope and quality regulations are those which could be expected to have the most impact on the substance of local services, but here too the impact has been minimal. General practice under these regulations has been to identify the minimum number of dollars per pupil that must be provided in order for a school to have enough funds to create a program of sufficient size, scope and quality. Rarely has this potentially substantive regulation gone beyond the minimum dollar requirement.

Finally, Chapter 1 has required a fiscal and program audit for many years. Conducted by people external to the district and school, the audit has served as a check on both funds allocation and funds use. Typically, however, audits focus on tracking funds down through the system to the student receiving services in a Chapter 1 program. Thus, the audit side of the Federal and sometimes state governments has functioned to create a "press" for districts and schools to have "clean" audit trails. Put differently, there is little if any push

from auditors on program quality issues, and as the discussion on the supplement, not supplant regulation suggests, at times the auditor press can negatively influence program quality.

In summing up all of the above, it is fair to conclude that the current regulatory structure is working at least as far as fiscal accountability is concerned. Yes, technical adjustments probably could improve practice in some places, and technical changes in other places could probably alter the distribution of funds and perhaps even improve the efficiency of the uses of Chapter 1 funds. But as currently structured, Chapter 1 law, regulations and rules pretty much channel funds to districts with poor children, within those districts to schools with the highest concentration of poor children, and within those schools to students with the greatest academic needs. State and local resources are distributed comparably across schools before the allocation of Chapter 1 funds, and Chapter 1 services supplement and do not supplant other regularly provided educational services.

Further, the regulatory and program structure of Chapter 1/ Title I is understood and can be implemented without administrative, paperwork or procedural overburden at the state, district and school level. Indeed, several research studies conducted for the Congress at the beginning of the 1980s reached these conclusions. Further, syntheses of research studies (Moore et al., 1983; Knapp, Stearns, Turnbull, David, & Peterson, 1983) on Federal program implementation over the last twenty years also reach such conclusions (Kirst & Jung, 1980; Jung & Kirst, 1986).

In addition, when the initial Chapter 1 legislation essentially eliminated the Title I regulatory structure, Federal pressure from the audit side combined with pressure from both state and local program levels essentially reinstated the old Title I regulations as nonregulatory Federal guidance. When regulations for Chapter 1 were finally adopted, most of the nonregulatory guidelines were adopted, save for the identified substantive changes in comparability, and essentially minor changes in the other areas discussed above. Finally, a recent study of the impact of these regulatory changes on administrative policy and practice and actual behavior at the state and local level concluded that Chapter 1 modifications had changed actual resource allocation practices very little, that practices characteristic of Chapter 1 in 1985 pretty much reflected practices characteristic of Title I in 1980 (Farrar & Milsap, 1986).

These findings are not altogether surprising. Chapter 1 is a mature program, now more than twenty years old. It is administered by a fairly tightly coupled, vertically aligned structure of Title I/ Chapter 1 professionals (loyalists) from the Federal government, to the fifty states and to the local Chapter 1 coordinators. These people have learned over the years how to implement Chapter 1/ Title I, they have intimate familiarity with its rules and regulations, and, in the main, believe in both the program and in the regulations. They generally feel the regulations "protect" Chapter 1 as

a program of services to educationally needy students in schools with high concentrations of children from poverty backgrounds.

Further, over the years, these people have painstakingly helped develop a set of standard operating procedures that implement the law, rules and regulations. Thus, when given freedom to stray from that structure by the lack of regulations in the early days of Chapter 1, most did not. Many used the old Title I regulations to establish state policy on Chapter 1 for both fiscal distribution and accountability. These same people tended to be relieved, then, when the nonregulatory guidelines became Chapter 1 regulations, save for the above mentioned changes.

But concluding that Chapter 1 probably has a regulatory structure that insures fiscal accountability and seems not to be in need of drastic overhaul is not the same as concluding that this structure also addresses adequately the issue of program quality. Those issues are discussed in the next section.

Insuring Chapter 1 Program Integrity and Quality

"Compliance is quality," is a comment made by many state and local Chapter 1 coordinators. That comment underscores an apparent dilemma between fiscal accountability and program quality: does accomplishment of the former negate accomplishment of the latter? The answer is no, but the reality is that the intensive focus on developing a fiscal accountability structure that works has, for whatever reasons, substantively overlooked issues of program quality. So the regulatory structure insures the correct distribution of dollars and the provision of services to Chapter 1 eligible services, but is essentially silent on the substance of those services. Whether the fiscal accountability structure is in conflict with what can be done about program quality can be answered only after identification of how the Federal government can address the issue of program quality.

In addressing this issue, the Federal government must face the reality that it is at least two major levels away from the actual delivery of educational services. Constitutionally states control education; in most states, local districts administer and deliver education services. Thus, Federal programs are developed and delivered within the context of state as well as local curriculum and teaching policy.

Put differently, the Federal government does not "run" Chapter 1 programs. They are "run" by states and local districts and schools. Services funded by Chapter 1 dollars are delivered by individual teachers in local school settings, which are under the control of local policy and state law. In short, the Federal government is dependent on state and local educators to deliver the Chapter 1 program. Whatever the regulations, the Chapter 1 program becomes what local educators deliver. Thus, what the Chapter 1 program "is"

depends on the nature and substance of services teachers provide to Chapter 1 students in thousands of classrooms across the country.

While the Federal government can channel resources that support the provision of extra services to Chapter 1 eligible students, a key issue for the Federal government in addressing the program quality issue is how it can energize state and local talent towards the substantive goals of Chapter 1 knowing that it cannot dictate the substance of curriculum and teaching policy. Put differently, the challenge is to determine how the Federal government can influence local educators to apply the best educational practices in the delivery of Chapter 1 programs without being able to regulate the key arenas--curriculum and teaching policy--associated with those effective practices.

This, however, may not be as large a problem as thought. With fiscal accountability "in place," Chapter 1 programs in several states are gradually beginning to refocus on program quality issues. The substance of Chapter 1 programs in many places is beginning to include some of the best educational practices deriving from the effective teaching and schools research.[1] These program transformations are quite exciting, have occurred essentially outside of any Federal prodding, and can be seen in Chapter 1 programs in numerous states. In Vermont, for example, Chapter 1 resources are being used to develop and implement effective teaching and schools practices across the entire state, and in many schools across the entire curriculum. But in most states, these developments are still contained within state and local Chapter 1 offices, and often do not affect the core education program.

Thus, even in the many states in which long overdue attention is shifting to Chapter 1 program quality issues, it still seems to be insulated from penetrating overall curriculum and teaching policy which really defines the substance of the state/local education program. In short, even though the emergence of research-based effective teaching and schooling practices in Chapter 1 programs is a good sign, it is still a vulnerable trend because its influence on the core education program is constrained by the policies, outside of its control, that surround that core.

Not only is curriculum and teaching policy for the core program formally under the direct control of the state, but also states see those arenas as under their control and that which ought to be the substance of their primary policy attention. A recent, federally supported study (Milne, Moskowitz, & Ellman, 1983) looked at state approaches to programs for special student populations, including those receiving compensatory education. A key conclusion was that the primary state education concern was for the core education program, and that special needs, categorical programs (like Chapter 1 or state compensatory education programs) take a secondary place to this driving interest.

This ranking of priorities, though, makes sense. Education is a state responsibility and thus states must make the core of the

education program its primary focus. Whether the divergence in priorities between the Federal and state governments is cause for concern depends in part on the degree to which categorical program quality and the core education program quality are linked. The fact is that they are inextricably linked, although both states and the Federal government not only lost sight of this reality in the 1970s but also let the quality of the core program slip into decline. Attempts to solidify the integrity of Chapter 1, then, drifted unconsciously into a total focus on the categorical program per se.

Thus, primary state concern for the quality of the core program was viewed as problematic at the Federal level because it seemed to demote the issue of Chapter 1 quality to a second level status. Today this state perspective is viewed as a strength for two reasons. First, the dependence of categorical program quality on the quality of the core education program has been rediscovered. Second, nearly all states have taken a series of steps to improve the quality of the regular, core educational program. Put differently, the state education reform movement emerged at the right time for Chapter 1 because if the issue was how to improve Chapter 1 program integrity, the answer primarily hinged on the quality of the core program, how to improve the quality of that program and how to attach the Chapter 1 program to it.

California's recent education reform initiatives and administrative changes in compensatory education provide one example of these reconnections. First, and contrary to popular opinion, the thrust of California's recent education excellence initiatives has been to strengthen the curriculum program provided students in the middle and bottom quartiles, the students for whom program quality had withered the most. A major problem for the middle track was that they faced the "Shopping Mall" high school and were offered mainly "soft" courses to take which, even if passed, did not add up to any body of substantive knowledge. The problem for the bottom track, categorical program-eligible students was that most of their curriculum was "watered" down, so even if they mastered it, they simply learned less than other students. However analyzed, the system benefited the bottom three quartiles of students too little.

The strategy in response was to <u>define a core, academic curriculum program to which all students would be exposed and which all students would be expected to master</u>. California's reform was essentially targeted on this issue and included increased high school graduation requirements, development of state model curriculum standards in the core academic areas, modification and expansion of state testing programs, changes in state textbook adoption criteria, and changes in teacher and administrator training and evaluation. California accompanied these attempts to strengthen the core curriculum with several administrative changes for categorical programs, all essentially designed to require local educators to align services provided under categorical funds with the regular curriculum program; the extra, supplementary services were to help students learn the regular curriculum program. Each school receiving categorical funding also was required to develop an overall school improvement plan

(reflecting knowledge that education improvement is a schoolwide phenomenon) and to show how the needs of students eligible for categorical program services were integrated into the overall school program.

Not all states have enacted the breadth of changes included in California's strategies, but many have. Of course, for states or local districts that still have weak regular education programs and are not taking initiatives to strengthen them, the Federal government and Chapter 1 programs, remain at a fundamental disadvantage. Nevertheless, the fact remains that the primary element related to Chapter 1 program quality is beyond the direct grasp of the Federal education arm, that Chapter 1 is a program on the periphery of that which determines its quality. The challenge is to determine how the Federal government can exert indirect influence on the core so that local core programs are sound and so local Chapter 1 programs are attached, as they should be, to it.

Even if that challenge could be met, the issue remaining is whether state attempts to strengthen the core curriculum program actually result in improved curricula at the local district and school level. Since state efforts to accomplish that task are still in their infancy, firm answers cannot be provided at this point. But several pieces of knowledge suggest that these state strategies are experiencing success. First, student exposure to curriculum content is a primary determinant of student learning of that content; thus, insuring that all students are exposed to a defined, core curriculum ought to improve student knowledge of the substance included in that core. Second, curriculum alignment seems to be a characteristic of instructionally effective schools and districts. State attempts to align academic goals, curriculum objectives, texts and tests reinforce at a higher level of government this school and district policy. Third, nearly all emerging reports on the impact of state education reforms document structural changes in the direction of reform goals and improved student performance on academic tests. In California, specifically, there have been dramatic changes in academic course offering with large increases in mathematics, science, world history, economics and foreign language (Guthrie et al., 1986). Fourth, states can combine these content initiatives with process strategies to support implementation on a school-by-school basis; such strategies reflect knowledge not only that the site for education improvement is the school unit, but also that states <u>can</u> design effective school site education improvement programs (Odden & Anderson, 1986). Fifth, recent knowledge on local implementation and educational change documents the importance of top level vision, leadership, management and implementation assistance. Further, this research concludes that top-down initiation can be successful if accompanied by long-term commitment and ongoing technical assistance (Fullan, 1985). Finally, there is at least preliminary data suggesting that this combination of state curriculum focus, categorical program alignment and school site improvement can work for Chapter 1 students (Odden, 1986).

In short, the key ingredients for improving Chapter 1 program quality seem to be the following:

- a strong regular curriculum program,
- alignment of Chapter 1 services with the regular program,
- a school-based education improvement plan that specifically stipulates how Chapter 1 services are integrated within it, and
- a school plan that specifically incorporates the programs and strategies based on the education effectiveness literatures.

Strategic Alternatives and Policy Implications for Insuring Chapter 1 Fiscal Accountability and Program Quality

There are five basic strategic alternatives that could be considered on the basis of the issues discussed in the previous sections. They will be covered from the least to the most effective.

The first would be to completely deregulate Chapter 1, a strategy proposed in the early 1980s. This strategy mainly reflects ideological rather than substantive grounds. This strategy will accomplish neither Chapter 1 fiscal accountability nor program quality. Both the theoretical and empirical economic literature concludes that such a policy would dilute Chapter 1 as a program. Further, both the theoretical and empirical political science implementation literature suggests the same result.[2] And finally, if the road to program quality is a strengthened core program and the linking of Chapter 1 to the core, complete deregulation is silent on both matters. In short, deregulation may eliminate governmental interference at the local level but it is unlikely to strengthen either Chapter 1 fiscal accountability or program quality.

A second strategy would be to take seriously the school site as the unit of education improvement and to require schools to develop a schoolwide education improvement program and show how Chapter 1 services would be part of that overall plan. A specific requirement would be to align all Chapter 1 services with the regular curriculum program to insure that such services were provided to help Chapter 1 students master that program. This strategy retains the current fiscal accountability structure and adds modifications to the size, scope and quality regulations. This strategy does not address directly the quality of the regular school program but does take seriously the school site as the locus of education improvement and the alignment of categorical services with the core education program.

A third strategy would consider both fiscal accountability and program quality issues primarily on a schoolwide basis. Schools

could be required to develop a school-site education improvement program and to design mechanisms for Chapter 1 students to participate and be successful in this overall program. An additional requirement could be to align all Chapter 1 provided services to the regular curriculum program to insure that such services were designed to help Chapter 1 students master that program. Fiscal accountability could stop at the school level if there were evidence of adequate Chapter 1 student performance. The Chapter 1 grant could even be accompanied by an incentive bonus if Chapter 1 student performance met or exceeded certain performance targets. These modifications would link the schoolwide thrust to individual impacts. The danger in this approach is that schools with concentrations of poor children might "narrow" the curriculum to basic skills and knowledge, ignoring both the need for a broadly based curriculum program and a curriculum which develops higher level thinking skills.

This strategy would include such new program structures as intensive extra help during individual seatwork, before and after school services, summer school programs, and other ways to provide services that are really supplemental. Consideration also could be given to providing Chapter 1 services in very small classes now that research shows class size can make a major positive impact on student achievement if it is small enough and if more than 100 hours of instruction are provided over the year (Glass, Cahen, Smith, & Filby, 1982). Since this strategy includes requirements for showing performance improvements for Chapter 1 students, somewhat "bolder" program structures could be allowed.

A fourth approach also would focus on the school as a unit but would condition school level fiscal accountability upon demonstrated schoolwide use of proven effective strategies from the effective teaching and schools research. Use of this option could be further conditioned by a minimum requirement for poor student concentration, such as fifty percent. Several pilot projects of this type have been tried across the country with promising success (Stallings & Krasavage, 1986; Robbins, 1986). The idea here is that effective teaching and schools techniques have been developed from research on what works in classrooms and schools with concentrations of Chapter 1 type students. The assumption is that if both these school characteristics and effective teaching practices were put into place, all students, including Chapter 1 students, would likely perform better. The further assumption is that the impact on Chapter 1 students would not be diluted even if non-Chapter 1 eligible students benefited from the new activities.

The fifth strategy would include all of the components of strategy two and any of the other components of strategies three and four and would add initiatives to strengthen the regular curriculum program. Set-asides could be provided for states (and possibly local districts) to develop a sound and deep regular curriculum program; to develop model curricular guides to help implement that curriculum; to develop a testing and assessment program to identify student performance in that curriculum; to provide specific analyses of how Chapter 1 students perform in order to target school, district and

state foci for Chapter 1 services; to identify textbooks and materials that would be appropriate for that curriculum; and to identify supplementary instructional materials and strategies aligned with that curriculum that could be used in Chapter 1 programs. The idea here would be to stimulate states to strengthen the core curriculum program for all grades, on the assumption that it conditions the basic impact of even the highest quality Chapter 1 program. The state assessment program--if it were aligned with state curriculum objectives, and included several subjects and higher level thinking skills as well as basic skills--would help stimulate local response to a state-outlined core, curriculum program.

All of these strategies could be implemented with modest changes in the size, scope and quality regulations.

Summary

This chapter has two basic points. The first is that the current structure of Chapter 1--the law and its accompanying rules and regulations--is adequate for insuring fiscal accountability, and the means for implementing this structure at the state and local level are firmly developed and function relatively well. The second point is that the quality of Chapter 1 programs depends primarily on the quality of curriculum and teaching in local school districts, two arenas essentially beyond direct influence by the Federal government. Nevertheless, there are several strategies available to the Federal government for improving Chapter 1 program quality including the following:

- requiring all Chapter 1 sites to have a schoolwide education improvement program with Chapter 1 integrated into it;
- requiring Chapter 1 services to be aligned with the regular educational program so Chapter 1 helps low-achieving students to learn the regular curriculum;
- conditioning receipt of Chapter 1 funds on schools implementing research-based effective teaching and schools strategies; and
- providing new funds for states to develop model curriculum guides for a strengthened academic program, a testing program to assess student progress in that program, and supplemental instructional strategies and materials to help students such as Chapter 1 students who do not fully learn curriculum objectives during regular instruction.

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FOOTNOTES

1. See Wittrock (1986) Chapters 12, 13, 14, and 18 for summaries of this research and Kyle (1985) for programs and policies to implement the results of this literature in state and local school systems, schools and classroom.

2. Recent experience with Chapter 2 funds reinforces this point. The major redistributive program that was "rolled into" Chapter 2 was federal desegregation assistance that had benefited mainly large cities. Without regulations requiring this disproportionate allocation, states redistributed these funds on about an equal per pupil basis to all districts in the state within three years.